

AUDIT BOARD

19th MARCH 2015

GRANT THORNTON – CERTIFICATION WORK REPORT 2013/14

Relevant Portfolio Holder	Councillor Mike Webb
Portfolio Holder Consulted	-
Relevant Head of Service	Jayne Pickering – Exec Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

1. SUMMARY OF PROPOSALS

- 1.1 To present Members with the Grant Certification Letter for 2013/14 the Councils External Auditors Grant Thornton.

2. RECOMMENDATIONS

- 2.1 **The Committee is asked to note the letter 2013/14.**

3. KEY ISSUES

Financial Implications

- 3.1 Grant Thornton have raised the issue of the fee with the Audit Commission as it is not reflective of the work undertaken or of the previous and future years fee levels that have been set. The budget is £11k and therefore is set at a level as initially anticipated by the Council and Grant Thornton.

Legal Implications

- 3.2 Grant Thornton have a statutory responsibility to certify the claim submitted by the Council. The Council has a legally binding contract with Grant Thornton to provide the External Audit service for at least the next 5 years.

Service / Operational Implications

- 3.3 External Auditors have a duty to carry out all work necessary to meet their statutory responsibilities in accordance with the Code of Audit Practice. This includes certification of grant claims.
- 3.4 The auditors have certified the Housing Benefit Claim for 2013/14 relating to over £16m of expenditure. Their results on their certification work is detailed in Appendix 1.

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- 3.5 The key messages from the Audits are;
- There is an acceptance that the benefit subsidy preparation is a complex area
 - A number of errors were identified and training plans have been put in place
 - Supporting working papers require further improvement
 - The claim was amended by £9,580 and therefore qualified (there is no tolerance limit on qualification)
- 3.6 As part of the restructure of the benefits team a skilled benefit subsidy / quality officer has been appointed. This will ensure that staff are provided with more hands on training from an officer within the workplace. The auditors are supportive of the new appointment.
- 3.7 In addition current testing shows that the error cell is reporting a lower figure so far this year, and that the most common error from last year checks (Miscalculating extended payments by 1 day) has been resolved. This leads us to believe that it was a system fault and we are reviewing historic known faults within Academy to confirm this.
- 3.8 As well as conducting these checks, training for staff along with other high risk checks (Backdating, overpayment classification, students) are being provided.

Customer / Equalities and Diversity Implications

- 3.9 There are no implications arising out of this report.

4. RISK MANAGEMENT

- 4.1 As part of all audit work the auditors undertake a risk assessment to ensure that adequate controls are in place within the Council so reliance can be placed on internal systems.

5. APPENDICES

Appendix 1 – Grant Thornton Certification Letter 2013/14

6. BACKGROUND PAPERS

Individual internal audit reports.

7. KEY

N/a

AUTHOR OF REPORT

Name: Jayne Pickering
E Mail: j.pickering@bromsgrove&redditch.gov.uk
Tel: 01527-881207